GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVATION
LOK SABHA

UNSTARRED QUESTION NO:4382
ANSWERED ON:18.12.2001
RECOVERY OF COMPENSATION AND EXTRA EXPENDITURE BY CPWD
PRABHUNATH SINGH

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVATION be pleased to state:

(a) whether due to failure of CPWD, it could not recoverthe compensation and extra expenditure incurred by it from the contractors as pointed out by the CAG in their report 2 of 2001at pages 115 and subsequent thereto under the heading `avoidable expenditure due to inefficient contract management`;

(b) if so, whether the Government has gone into the causes and taken any action to tone up the CPWD; and

(c) the measures taken by the Government to direct the CPWD to bring about economy in all spheres including purchases by electrical divisions etc?

Answer

MINISTER OF STATE FOR URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI BANDARU DATTATREYA)

(a): No, Sir. Whenever any amount is to be recovered from the contractor either by way of compensation or on any other account, the same is invariably recovered from the running bils/final bill of the contractor or from his other dues/amount available with the Department in the form of Security Deposit etc. The said para of CAG Report refers to the cases where the contractoris aggrieved and feels that the amount has been wrongly recovered/withheld or not paid by the Department. Arbitration is a quasi judicial process as laid down in the Agreement and same is properly contested by the Department. The awards are challenged in the competent Court of Law where there exist strong grounds to do so.

(b): The cases, where any irregularity or any lapse on the part of any official has come to notice, have been dealt with according to Government rules.

(c): CPWD awards works/supply contracts on the basis of competitive bids called through open tenders/quotations with wide publicity as per procedure prescribed by Government.